

## Message Text

SECRET

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ORIGIN NODS-00

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DRAFTED BY D:DLAMB  
APPROVED BY D:WCHRISTOPHER  
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TO USDEL SECRETARY IMMEDIATE

S E C R E T STATE 181725 TOSEC 080053

NODIS  
FOR THE SECRETARY FROM CHRISTOPHER

E.O. 11652: GDS

TAGS: OVIP (VANCE, CYRUS)

SUBJECT: EVENING READING

FOLLOWING IS TEXT OF TUESDAY'S EVENING READING:

1. ISRAEL AND ETHIOPIA. LAST SUNDAY DAYAN TOLD AMBASSADOR LEWIS THAT ETHIOPIAN PRESIDENT MENGISTU HAD ASKED WHETHER THE ISRAELIS COULD HELP PUT HIM IN CONTACT WITH THE U.S. FOR THE PURPOSE OF DISCUSSING MILITARY ASSISTANCE. DAYAN WANTED TO KNOW WHETHER THE ETHIOPIANS SHOULD BE ENCOURAGED TO APPROACH THE U.S. DIRECTLY, AND WHETHER WE WOULD OBJECT IF THE ISRAELIS SUPPLIED U.S.-ORIGIN MILITARY EQUIPMENT TO ETHIOPIA. DAYAN NOTED THAT THE ETHIOPIAN MILITARY POSITION VIS-A-VIS SOMALIS IS DETERIORATING RAPIDLY AND MENGISTU IS DISILLUSIONED WITH THE SOVIETS.

YESTERDAY DAYAN WAS INFORMED THAT HE SHOULD NOT ENCOURAGE  
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THE ETHIOPIANS TO CONTACT THE U.S. FOR MILITARY ASSISTANCE  
AND THAT THE U.S. WOULD NOT CONCUR IN ISRAEL'S TRANSFER OF

U.S.-ORIGIN ARMS. AMBASSADOR LEWIS REPEATED WHAT CY TOLD  
DINITZ ON JULY 26, NAMELY, THAT WE PLAN TO CONTINUE OUR  
LIMITED ECONOMIC ASSISTANCE TO MENGISTU, BUT ARMS TO  
ETHIOPIA WOULD NOT MAKE SENSE. LEWIS ALSO DISCOURAGED

ISRAELI SUPPORT OF ETHIOPIA, POINTING OUT THAT IT WOULD PUT THE ISRAELIS IN THE SAME CAMP AS THE SOVIETS AND LIBYA. DAYAN AGREED WITH US AND ADDED THAT ISRAEL WOULD KEEP FURTHER ISRAELI COMMITMENTS TO A BARE MINIMUM. WHETHER DAYAN'S VIEW HOLDS REMAINS TO BE SEEN, SINCE BEGIN AND OTHERS IN THE ISRAELI CABINET WANT TO PRESERVE ISRAEL'S POSITION IN ETHIOPIA AND TRY TO WEAN MENGISTU AWAY FROM THE SOVIETS.

2. PANAMA. AMBASSADORS BUNKER AND LINOWITZ TODAY OUTLINED THE ECONOMIC PACKAGE TO PANAMANIAN MINISTER FOR PLANNING AND DEVELOPMENT BARLETTA, EMPHASIZING THAT WE CONSIDER THIS PACKAGE TO BE AS FAR AS WE CAN GO. FURTHER TALKS ARE PLANNED TO EXPLAIN TO BARLETTA CERTAIN ASPECTS OF THE CANAL'S FINANCIAL OPERATIONS. HE CLEARLY FEELS THAT MORE MONEY IS AVAILABLE FOR THE ANNUITY THAN WE ARE PREPARED TO OFFER. NOTABLY, HOWEVER, THE PANAMANIANIS ARE NO LONGER TALKING ABOUT A \$460 MILLION LUMP SUM PAYMENT AND A \$150 MILLION ANNUITY.

THE AUGUST 5 MEETING OF SEVERAL LATIN AMERICAN CHIEFS OF STATE, CALLED FOR BY TORRIJOS, IS GOING AHEAD AS PLANNED. WE HAVE PROVIDED SEVERAL OF OUR EMBASSIES WITH ADDITIONAL MATERIAL ON THE NEGOTIATIONS SO THAT THEY CAN BRIEF HOST GOVERNMENTS PRIOR TO THE MEETING. MEXICAN FOREIGN MINISTER ROEL, WHOM WE BRIEFED YESTERDAY, HAS SAID HE  
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WILL BE HELPFUL TO US.

3. NAMIBIA. THE AUGUST 1 TALKS BETWEEN THE WESTERN CONTACT GROUP AND VORSTER AND BOTHA DEMONSTRATED SOME FAVORABLE EVOLUTION OF THE SOUTH AFRICA POSITION ON NAMIBIA. THE CRUX OF THE SOUTH AFRICAN PRESENTATION WAS THAT THEY WILL MAKE NO FURTHER CONCESSIONS UNTIL SWAPO SHOWS ITS WILLINGNESS TO NEGOTIATE SERIOUSLY.

ON SPECIFICS, VORSTER TOLD THE CONTACT GROUP THAT:

-- HE WILL DELAY OFFICIAL ACTION ON THE ADMINISTRATOR-GENERAL UNTIL AUGUST 22 WHICH SHOULD GIVE US MORE TIME TO WORK OUT ARRANGEMENTS WITH SWAPO AND THE UN.

-- GRUDGINGLY, HE IS WILLING TO ACCEPT THE APPOINTMENT OF AHTISAARI AS THE SECRETARY GENERAL'S SPECIAL REPRESENTATIVE WHENEVER THE SECURITY COUNCIL PROVIDES WALDHEIM A MANDATE FOR NAMIBIA.

AFTER THE TALKS BETWEEN THE CONTACT GROUP AND SWAPO, WHICH BEGIN IN NEW YORK ON AUGUST 8, WE WILL HAVE A BETTER

ESTIMATE OF THE PROSPECTS FOR A SETTLEMENT.

4. NEW TURKISH GOVERNMENT CONFIRMED. DEMIREL'S CONFIDENCE VOTE SHOULD MAKE IT POSSIBLE FOR HIS THREE-PARTY CONSERVATIVE COALITION TO STAY IN OFFICE FOR AT LEAST THE NEXT SIX MONTHS. HOWEVER, THE NEW GOVERNMENT FACES SEVERE ECONOMIC PROBLEMS, A DETERIORATING DOMESTIC SECURITY SITUATION, AND DIFFICULTIES OVER CYPRUS AND THE AEGEAN. ITS OWN INTERNAL DIVISIONS MAKE IT UNLIKELY THE GOVERNMENT CAN MOVE DECISIVELY IN ANY OF THESE CRUCIAL AREAS, ALTHOUGH DEMIREL AND HIS ASSOCIATES WOULD CLEARLY LIKE TO SEE BETTER RELATIONS ESTABLISHED WITH THE U.S. AND NATO. THEY MAY NOT BE ADVERSE TO A CYPRUS SETTLEMENT SO LONG AS IT IS NOT THE RESULT OF OVERT U.S. PRESSURE.

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5. CHILE. YOU ASKED ABOUT THE RELIABILITY OF THE STATEMENT IN THE WASHINGTON POST LAST WEEK THAT CHILEAN CHRISTIAN DEMOCRATS WERE "DISMAYED" AT U.S. COMMENTS ON PINOCHET'S SPEECH REGARDING THE EVENTUAL RETURN OF CHILE TO DEMOCRATIC GOVERNMENT. SOME CHRISTIAN DEMOCRATS IN CHILE INITIALLY QUESTIONED OUR EMBASSY ABOUT THE TIMING AND TENOR OF OUR REACTION, READING INTO IT AN ENDORSEMENT OF PINOCHET'S PLAN AND TIMETABLE. HOWEVER, OUR EMBASSY REPORTS THAT A CLOSER READING BY THE CHRISTIAN DEMOCRATS OF OUR POSITION APPEARS TO HAVE CLARIFIED THEIR MISPERCEPTIONS, AND IT APPEARS THAT THE POST'S CHARACTERIZATION OF THEIR ATTITUDE WAS EXAGGERATED. APART FROM THE POST ARTICLE, MEDIA COVERAGE OF OUR REACTION TO PINOCHET'S ANNOUNCEMENT HAS BEEN MINIMAL. THE NEW YORK TIMES HAS REPORTED FACTUALLY AND BRIEFLY ON THE PINOCHET SPEECH, BUT DID NOT MENTION OUR REACTION.

6. OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC). THE HUMPHREY SUBCOMMITTEE ON FOREIGN OPERATIONS WILL CONCLUDE HEARINGS ON A FOUR-YEAR EXTENSION OF OPIC AUTHORITY ON THURSDAY, WITH TESTIMONY BY HENRY KISSINGER AND RUD POATS, ACTING PRESIDENT OF OPIC. IN THE TWO HEARINGS LAST WEEK SENATOR CHURCH MADE CLEAR THAT HE IS DISAPPOINTED IN OPIC'S FAILURE TO GET PRIVATE INSURANCE COMPANIES TO PICK UP INCREASING SHARES OF THE RISK AND WILL NOT SUPPORT EXTENSION. SENATOR CASE VOTED AGAINST OPIC LAST TIME AND DOES NOT THINK OPIC IS A VERY USEFUL FOREIGN AID TOOL. DESPITE THESE NEGATIVE VIEWS AND A SOMEWHAT CRITICAL GAO REPORT, OPIC AND SUBCOMMITTEE STAFFERS BELIEVE THEY HAVE THE SUPPORT OF A MAJORITY OF THE SUBCOMMITTEE. CHRISTOPHER

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